

**GRUNDY COUNTY SCHOOLS – INTERNAL SCHOOL FUNDS**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2017**

**Matlock Clements**

---

**Certified Public Accountants**

## **INTRODUCTORY SECTION**

**GRUNDY COUNTY SCHOOLS - INTERNAL SCHOOL FUNDS**  
**ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS**

**INTRODUCTORY SECTION:**

Table of Contents	2
Directory of Officials	4

**FINANCIAL SECTION:**

Independent Auditor's Report	7
------------------------------	---

---

Financial Statements

Combined Balance Sheet-Regulatory Basis-All Schools	10
---	----

Combined Statement of Revenues, Expenditures and Changes in Fund Balances-Regulatory Basis- All Schools	11
---	----

Notes to the Financial Statements	12
-----------------------------------	----

---

Supplementary Information

Individual School Financial Statements

Coalmont Elementary School	
Balance Sheet-Regulatory Basis	18
Statement of Revenues, Expenditures, and Changes in Fund Balances-Regulatory Basis	19

Grundy County High School	
Balance Sheet-Regulatory Basis	20
Statement of Revenues, Expenditures, and Changes in Fund Balances-Regulatory Basis	22

North Elementary School	
Balance Sheet-Regulatory Basis	25
Statement of Revenues, Expenditures, and Changes in Fund Balances-Regulatory Basis	26

Palmer Elementary School	
Balance Sheet-Regulatory Basis	28
Statement of Revenues, Expenditures, and Changes in Fund Balances-Regulatory Basis	29

Pelham Elementary School	
Balance Sheet-Regulatory Basis	31

**GRUNDY COUNTY SCHOOLS - INTERNAL SCHOOL FUNDS**  
**ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS**

Statement of Revenues, Expenditures, and Changes in Fund Balances-Regulatory Basis	32
Swiss Memorial School	
Balance Sheet-Regulatory Basis	34
Statement of Revenues, Expenditures, and Changes in Fund Balances-Regulatory Basis	35
Tracy City Elementary School	
Balance Sheet-Regulatory Basis	37
Statement of Revenues, Expenditures, and Changes in Fund Balances-Regulatory Basis	38
Supplemental Schedules and Other Information	
Schedule of Interfund and Interaccount Transfers- Regulatory Basis By School	
Grundy County High School	40
North Elementary School	41
Pelham Elementary School	42
Schedule of Fidelity Bond Coverage	43
Schedule of Salary Supplements	44
Schedule of Expenditures of Federal Awards and State Financial Assistance	45
<b>INTERNAL CONTROL AND COMPLIANCE SECTION:</b>	
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	48
Schedule of Findings and Responses	50
Schedule of Prior Year Findings and Responses	52

## GRUNDY COUNTY SCHOOLS – INTERNAL SCHOOL FUNDS DIRECTORY OF OFFICIALS

## Elected Officials

Board of Education:

Kasey Anderson
Paul Gallagher
Phyllis Lusk
Chris Groom
Janie Layne
Chris Snyder
Lebron Coffelt
Gary Don Melton
Reuben Newsome

### Management Officials

Director of Schools: Jessie Kinsey

Director of Accounting: Dee Dee Hawk

### School Officials

<u>Individual School</u>	<u>Principal</u>	<u>Bookkeeper</u>
Coalmont Elementary School	Russel Ladd	Carrie Shrum
Grundy County High School	Deidre Helton	Shannon Dempsey
North Elementary School	Kathy Hill-Moon	Maria Tate
Palmer Elementary School	Donald Partin	Pam Meeks
Pelham Elementary School	Dr. Cheryl Robey	Cathy Taylor
Swiss Memorial Elementary School	Jamie Rhueling	Felicia Birdwell
Tracy City Elementary School	Glenda Dykes	Frances Campbell

## **FINANCIAL SECTION**

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Education and  
The Director of Schools  
Grundy County School's  
Altamont, Tennessee

### Report on the Financial Statements

We have audited the accompanying combined balance sheet – regulatory basis of Grundy County School's Internal School Funds as of June 30, 2017, and the related combined statement of revenues, expenditures and changes in fund balances – regulatory basis for the year then ended, and the related notes to the financial statements, which collectively comprise Grundy County School's Internal School Funds basic financial statements, as listed in the table of contents. We also have audited the individual school balance sheets – regulatory basis, and the individual school statements of revenues, expenditures and changes in fund balances – regulatory basis presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying individual school financial statements as of and for the year ended June 30, 2017, as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual*. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As described in Note A of the financial statements, the financial statements are prepared by Grundy County School's Internal School Funds on the basis of the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of Tennessee.

Eric Clements, CPA, CFE • Andy Matlock, CPA



The effects on the financial statements of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Grundy County School’s Internal School Funds as of June 30, 2017, or changes in financial position for the year then ended.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the combined financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances of Grundy County School’s Internal School Funds as of June 30, 2017, and the related revenue, expenditures and changes in fund balances for the year then ended, in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual* described in Note A. In addition, in our opinion, the individual school financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances of Grundy County School’s Internal School Funds as of June 30, 2017, and the related revenue, expenditures and changes in fund balances for the year then ended, in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual* described in Note A.

#### ***Other Matters***

##### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the combined financial statements— regulatory basis that collectively comprise the Grundy County School’s Internal School Funds’ basic financial statements. In addition, our audit was conducted for the purpose of forming an opinion on the individual school financial statements – regulatory basis, presented as supplementary information, as defined by the Government Accounting Standards Board. The supplemental schedules and other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements – regulatory basis of the schools. As described in Note D of the financial statements, the supplementary schedules and other information, as listed in the table of contents, are prepared by Grundy County School’s Internal School Funds on the basis of the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The supplemental schedules and other information, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements – regulatory basis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements – regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements – regulatory basis themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules and other information, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements – regulatory basis as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated, February 2, 2018, on our consideration of the Grundy County School's Internal School Funds internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Grundy County School's Internal School Funds internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Matlock Clements, P.C." The signature is written in a cursive, flowing style.

Matlock Clements, P.C.  
Murfreesboro, Tennessee  
February 2, 2018

**GRUNDY COUNTY SCHOOLS -INTERNAL SCHOOL FUNDS**  
**COMBINED BALANCE SHEET-REGULATORY BASIS-ALL SCHOOLS**  
**JUNE 30, 2017**

	Coalmont Elementary School	Grundy County High School	North Elementary School	Palmer Elementary School	Pelham Elementary School	Swiss Memorial Elementary School	Tracy City Elementary School	Total
<b>ASSETS</b>								
Cash in Bank-Checking	\$ 27,249	\$ 185,898	\$ 51,886	\$ 8,728	\$ 22,683	\$ 17,424	\$ 36,493	\$ 350,361
Accounts Receivable	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 27,249</b>	<b>\$ 185,898</b>	<b>\$ 51,886</b>	<b>\$ 8,728</b>	<b>\$ 22,683</b>	<b>\$ 17,424</b>	<b>\$ 36,493</b>	<b>\$ 350,361</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Fund Balances:								
General Fund:								
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	14,661	11,121	28,404	5,463	15,327	8,959	21,524	105,459
<b>Total General Fund</b>	<b>\$ 14,661</b>	<b>\$ 11,121</b>	<b>\$ 28,404</b>	<b>\$ 5,463</b>	<b>\$ 15,327</b>	<b>\$ 8,959</b>	<b>\$ 21,524</b>	<b>\$ 105,459</b>
Restricted fund:								
Restricted	\$ 4,335	\$ 7,701	\$ 628	\$ 1,417	\$ 1,567	\$ 5	\$ 5,789	\$ 21,442
Assigned	8,253	167,076	22,854	1,848	5,789	8,460	9,180	223,460
Unassigned	-	-	-	-	-	-	-	-
<b>Total Restricted Fund</b>	<b>\$ 12,588</b>	<b>\$ 174,777</b>	<b>\$ 23,482</b>	<b>\$ 3,265</b>	<b>\$ 7,356</b>	<b>\$ 8,465</b>	<b>\$ 14,969</b>	<b>\$ 244,902</b>
<b>Total Fund Balances</b>	<b>\$ 27,249</b>	<b>\$ 185,898</b>	<b>\$ 51,886</b>	<b>\$ 8,728</b>	<b>\$ 22,683</b>	<b>\$ 17,424</b>	<b>\$ 36,493</b>	<b>\$ 350,361</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 27,249</b>	<b>\$ 185,898</b>	<b>\$ 51,886</b>	<b>\$ 8,728</b>	<b>\$ 22,683</b>	<b>\$ 17,424</b>	<b>\$ 36,493</b>	<b>\$ 350,361</b>

The accompanying notes are an integral part of these financial statements.

See Independent Auditor's Report.

**FRANKLIN SPECIAL SCHOOL DISTRICT-INTERNAL SCHOOL FUNDS**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES-ALL SCHOOLS-REGULATORY BASIS-ALL SCHOOLS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Coalmont Elementary School	Grundy County High School	North Elementary School	Palmer Elementary School	Pelham Elementary School	Swiss Memorial Elementary School	Tracy City Elementary School	Total
Fund Balances, July 1, 2017	\$ 22,106	\$ 178,441	\$ 47,433	\$ 12,192	\$ 18,364	\$ 12,292	\$ 40,719	\$ 331,547
Prior Period Adjustments	-	-	-	-	-	-	-	-
Adjusted Fund Balances, July 1, 2017	\$ 22,106	\$ 178,441	\$ 47,433	\$ 12,192	\$ 18,364	\$ 12,292	\$ 40,719	\$ 331,547
Revenues	\$ 62,018	\$ 434,704	\$ 54,079	\$ 47,019	\$ 45,640	\$ 89,619	\$ 78,898	\$ 811,977
Expenditures	56,875	427,247	49,626	50,483	41,321	84,487	83,124	793,163
Excess of Revenues Over (Under) Expenditures	\$ 5,143	\$ 7,457	\$ 4,453	\$ (3,464)	\$ 4,319	\$ 5,132	\$ (4,226)	\$ 18,814
Other Financing Sources (Uses):								
Operating Transfers In	\$ -	\$ 6,455	\$ 4,005	\$ -	\$ 661	\$ -	\$ -	\$ 11,121
Operating Transfers Out	-	(6,455)	(4,005)	-	(661)	-	-	(11,121)
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 5,143	\$ 7,457	\$ 4,453	\$ (3,464)	\$ 4,319	\$ 5,132	\$ (4,226)	\$ 18,814
<b>Fund Balances, June 30, 2018</b>	<b>\$ 27,249</b>	<b>\$ 185,898</b>	<b>\$ 51,886</b>	<b>\$ 8,728</b>	<b>\$ 22,683</b>	<b>\$ 17,424</b>	<b>\$ 36,493</b>	<b>\$ 350,361</b>

The accompanying notes are an integral part of these financial statements.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS – INTERNAL SCHOOL FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**Background**

Section 49-2-110, *Tennessee Code Annotated*, provides for internal school funds, establishes responsibility for those funds, and requires schools to adopt and follow a uniform accounting manual.

**Note A – Summary of Significant Accounting Policies**

**1. Financial Reporting Entity**

This report includes only the internal school funds of Grundy County Schools. Internal school funds consist of financial resources accounted for at the individual schools.

**Internal School Funds**

Internal school funds reported in the accompanying financial statements include donations and grants made to the individual schools; fees collected by schools; funds received from the local board of education; funds raised through cooperative agreements; rental fees; and student activity funds.

**Student Activity Funds**

Student activity funds include all money received from any source for school-sponsored student activities or school-sponsored events held at or in connection with a school, and specifically include, but are not limited to funds:

- Derived from a school-sponsored academic, art, athletic or social event involving students;
- Raised by school-sponsored clubs involving students;
- Raised by school-sponsored fundraisers involving students who are under the supervision of a school employee;
- Received from a commission for the direct sale of items to students pursuant to a cooperative agreement between the school and an outside organization;
- Received for the direct sale of items to students from a school-run bookstore located on school grounds;
- Raised from fees charged to students;
- Obtained from interest from any account that contains student activity funds;
- Obtained from any related school-sponsored activity that involves the use of school personnel, students, and property during the school day.

**2. Other Comprehensive Basis of Accounting (OCBOA)**

The accounting and financial reporting requirements for internal school funds are set forth in the *Tennessee Internal School Uniform Accounting Policy Manual*, issued by the Tennessee Department of Education. The requirements established in the *Tennessee Internal School Uniform Accounting Policy Manual* differ from generally accepted accounting principles primarily in the presentation of the financial statements and restricted fund revenue and expenditure accounting and reporting. The following is a summary of the basic requirements of this other comprehensive basis of accounting.

**GRUNDY COUNTY SCHOOLS – INTERNAL SCHOOL FUNDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**Note A – Summary of Significant Accounting Policies – (Continued)**

**2. Other Comprehensive Basis of Accounting (OCBOA) – (Continued)**

The financial statements consist of balance sheets and statements of revenues, expenditures and changes in fund balances.

The combined financial statements present all of the individual schools in a columnar format and are required to be presented before the notes to the financial statements. These statements focus on each of the individual schools rather than the funds within the schools. In keeping with that focus, the columnar headings identify the individual schools rather than the funds.

The individual school financial statements present the detailed fund activity in each school and are included after the notes to the financial statements.

Revenues are classified by source and expenditures are classified by either function or object for the general fund but not the restricted fund. Revenues and expenditures of the restricted fund are recorded based on the specific group or activity which will benefit or expend the funds. The activity in the restricted “accounts” is presented as total revenues and transfers in and total expenditures and transfers out for each account. A corresponding “fund balance” is presented for each account. Although the restricted fund is a single fund, each account within the fund must present its portion of the restricted fund balance. Transfers reported on the financial statements represent authorized movement of funds between restricted accounts as well as between the general fund and restricted fund.

**3. Measurement Focus and Basis of Accounting**

The accompanying financial statements are reported using the current financial resources measurement focus. Accordingly, only current assets and current liabilities are included on the balance sheets and the fund balances report only spendable resources. Internal school funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. Management policies define available as collectible within 60 days after the fiscal year end. Expenditures are generally recognized when the related fund liability is incurred, if measurable.

**4. Fund Structure**

The accounts of the individual schools are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of the fund’s assets, liabilities, fund equity, revenues and expenditures. The funds are grouped in the accompanying financial statements as follows:

**GRUNDY COUNTY SCHOOLS – INTERNAL SCHOOL FUNDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**Note A – Summary of Significant Accounting Policies – (Continued)**

**5. Fund Structure – (Continued)**

**General Fund**

The general fund is used to account for all money to be used for the general operation of the school or for the welfare of the student body. Revenues and expenditures in this fund are not restricted to any specific group or activity.

**Restricted Fund**

The restricted fund is used to account for money that is restricted for the use of a specific segment of the school population or legally restricted for a specific purpose and not intended to benefit the general school population.

**6. Inventory**

Inventories are stated at lower of cost (first-in, first-out) or market (net realizable value). The purchases method is used to account for inventories. Under the purchases method, inventories are reported as an expenditure when purchased (or when received for donated items) rather than being capitalized as an asset. However, significant amounts of inventory, if any, on hand at year-end are reported as an asset in the financial statements.

In accordance with generally accepted accounting principles, the fair value of donated goods and supplies are recognized as revenues and expenditures in the financial statements. For the current year no significant amounts of such donations were received.

**7. Fund Balances**

**Nonspendable Fund Balance**

Fund balances reported as nonspendable in the accompanying financial statements represent amounts for inventory in the general fund.

**Restricted Fund Balance**

Fund balances reported as restricted in the accompanying financial statements are the result of externally imposed restrictions placed upon certain resources accounted for in the restricted funds. This includes BEP (Basic Education Program) funds and grant funds.

When both restricted and unrestricted resources are available for us, it is the school system's policy to use restricted resources first, then unrestricted resources as they are needed.

**Assigned Fund Balance**

Amounts that are constrained by each school's intent to be used for specific purposes are reflected as assigned in the accompanying financial statements. This includes accounts reported in the restricted fund at each school, except for those that account for externally restricted resources as described above. Inventory amounts for restricted accounts are reflected as assigned

**GRUNDY COUNTY SCHOOLS – INTERNAL SCHOOL FUNDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**Note A – Summary of Significant Accounting Policies – (Continued)**

**6. Fund Balances – (Continued)**

because the use of the proceeds from the sale of those inventories is assigned. Board of Education allocation amounts not spent by the end of the fiscal year are reflected as assigned in the general fund because the Board's intent is for those resources to be expended for instruction, administration, and/or operations and maintenance.

The Board of Education is authorized to assign amounts for specific purposes with respect to the amounts they allocate to the individual schools. The principal is the official authorized to assign all other amounts to a specific purpose. Authorization is established by the *Tennessee Internal School Uniform Accounting Policy Manual*.

**Unassigned Fund Balance**

In accordance with generally accepted accounting principles, the general fund is the only fund at each school that reports amounts for unassigned fund balance. This classification represents fund balance that is not restricted and has not been assigned to specific purposes within the general fund. When both assigned and unassigned resources are available for use, it is the school system's policy to use assigned resources first, then unassigned resources as they are needed.

The fund balance detail for Grundy County Schools is reflected in Table 1, located after Note E. Additional detail is provided on the individual school financial statements.

**Note B – Deposits**

**Cash Deposits**

Cash in bank represents funds on deposit in various depositories.

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the school's deposits may not be returned to it. None of the school's deposits were exposed to custodial credit risk because all balances were entirely insured by the FDIC or through the Bank Collateral Pool with the State of Tennessee.

**Legal Provisions**

All deposits with financial institutions in excess of FDIC limits are required to be secured by one of two methods. Excess funds can be deposited with a financial institution(s) that participates in the State of Tennessee Bank Collateral Pool administered by the state treasurer. For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits.



**GRUNDY COUNTY SCHOOLS – INTERNAL SCHOOL FUNDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**Note C- Capital Assets**

Capital assets acquired by the individual schools are recorded as expenditures at the time of purchase. Title and accountability for capital assets purchased pass automatically to the board of education.

**Note D- Supplementary Information**

All information contained in the section of this report under the table of contents heading of Supplementary information was subjected to the same audit standards as the combined and individual financial statements and was prepared in conformity with the accounting practices prescribed by the *Tennessee Internal School Uniform Policy Manual*, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

**Note E- Subsequent Events**

Subsequent events have been evaluated through February 2, 2018, the date which the financial statements were available to be issued.

**GRUNDY COUNTY SCHOOLS - INTERNAL SCHOOL FUNDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**(Table 1 - Fund Balance Detail)**

	<b>Coalmont</b>		<b>Grundy County High</b>		<b>North Elementary</b>		<b>Palmer Elementary</b>		<b>Pelham Elementary</b>		<b>Swiss Memorial</b>		<b>Tracy City</b>	
	<b>Elementary School</b>		<b>School</b>		<b>School</b>		<b>School</b>		<b>School</b>		<b>Elementary School</b>		<b>Elementary School</b>	
	<b>General</b>	<b>Restricted</b>	<b>General</b>	<b>Restricted</b>	<b>General</b>	<b>Restricted</b>	<b>General</b>	<b>Restricted</b>	<b>General</b>	<b>Restricted</b>	<b>General</b>	<b>Restricted</b>	<b>General</b>	<b>Restricted</b>
	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>
<b>Fund Balances:</b>														
<b>Nonspendable:</b>														
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Restricted for:</b>														
BEP Funds	-	3,829	-	-	-	628	-	-	-	1,567	-	-	-	5,789
Grant Funds	-	506	-	-	-	-	-	1,417	-	-	-	5	-	-
Other Purposes	-	-	-	7,701	-	-	-	-	-	-	-	-	-	-
<b>Assigned to:</b>														
Athletic Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Club Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Accounts	-	8,253	-	167,076	-	22,854	-	1,848	-	5,789	-	8,460	-	8,537
<b>Unassigned:</b>	<u>14,661</u>	<u>-</u>	<u>11,121</u>	<u>-</u>	<u>28,404</u>	<u>-</u>	<u>5,463</u>	<u>-</u>	<u>15,327</u>	<u>-</u>	<u>8,959</u>	<u>-</u>	<u>21,524</u>	<u>-</u>
<b>Total Fund Balances:</b>	<u>\$ 14,661</u>	<u>\$ 12,588</u>	<u>\$ 11,121</u>	<u>\$ 174,777</u>	<u>\$ 28,404</u>	<u>\$ 23,482</u>	<u>\$ 5,463</u>	<u>\$ 3,265</u>	<u>\$ 15,327</u>	<u>\$ 7,356</u>	<u>\$ 8,959</u>	<u>\$ 8,465</u>	<u>\$ 21,524</u>	<u>\$ 14,326</u>

**GRUNDY COUNTY SCHOOLS**  
**COALMONT ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**BALANCE SHEET- REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	ASSETS						LIABILITIES AND FUND BALANCES								Total Liabilities and Fund Balances
							LIABILITIES		FUND BALANCES						
	Cash on Hand	Cash in Bank Checking	Cash in Bank Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non- Spendable	Restricted	Assigned	Unassigned	Total Fund Balances	
General Fund	\$ -	\$ 14,661	\$ -	\$ -	\$ -	\$ -	\$ 14,661	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,661	\$ 14,661	\$ 14,661
Restricted Fund															
Other Accounts:															
Basketball	\$ -	\$ 958	\$ -	\$ -	\$ -	\$ -	\$ 958	\$ -	\$ -	\$ -	\$ -	\$ 958	\$ -	\$ 958	\$ 958
Basic Education Program	-	3,829	-	-	-	-	3,829	-	-	-	3,829	-	-	3,829	3,829
Healthy Network	-	432	-	-	-	-	432	-	-	-	-	432	-	432	432
Fuel Up Grant	-	158	-	-	-	-	158	-	-	-	158	-	-	158	158
School Beautification	-	2,484	-	-	-	-	2,484	-	-	-	-	2,484	-	2,484	2,484
Sewanee Grant	-	348	-	-	-	-	348	-	-	-	348	-	-	348	348
Special Education	-	1,571	-	-	-	-	1,571	-	-	-	-	1,571	-	1,571	1,571
Teacher Room Funds	-	825	-	-	-	-	825	-	-	-	-	825	-	825	825
Volleyball	-	1,449	-	-	-	-	1,449	-	-	-	-	1,449	-	1,449	1,449
Yearbook	-	534	-	-	-	-	534	-	-	-	-	534	-	534	534
Total Restricted	\$ -	\$ 12,588	\$ -	\$ -	\$ -	\$ -	\$ 12,588	\$ -	\$ -	\$ -	\$ 4,335	\$ 8,253	\$ -	\$ 12,588	\$ 12,588
Total General and Restricted	\$ -	\$ 27,249	\$ -	\$ -	\$ -	\$ -	\$ 27,249	\$ -	\$ -	\$ -	\$ 4,335	\$ 8,253	\$ 14,661	\$ 27,249	\$ 27,249

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS**  
**COALMONT ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Fund Balance 7/1/2016	Prior Period Adjustments	Adjusted Fund Balances 7/1/2016	Revenues	Expenditures	Other Financing Sources (Uses)		Residual Equity Transfer In (Out)	Fund Balance 6/30/2017
						Transfers In	Transfers Out		
General Fund									
Administration				\$ -	\$ 10,614				
Awards				350	350				
Field Trips				325	325				
Fines, Fees, and Dues				5,209	-				
Fund Drives				14,604	10,680				
Interest				<u>4</u>	<u>-</u>				
Total General	<u>\$ 16,138</u>	<u>\$ -</u>	<u>\$ 16,138</u>	<u>\$ 20,492</u>	<u>\$ 21,969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,661</u>
Restricted Fund									
Other Accounts:									
Basketball	\$ 1,211	\$ -	\$ 1,211	\$ 13,406	\$ 13,659	\$ -	\$ -	\$ -	\$ 958
Basic Education Program	463	-	463	10,447	7,081	-	-	-	3,829
Beta Club	-	-	-	207	207	-	-	-	-
Healthy Network	5	-	5	850	423	-	-	-	432
Fuel Up Grant	-	-	-	4,000	3,842	-	-	-	158
School Beautification	2,484	-	2,484	-	-	-	-	-	2,484
Sewanee Grant	348	-	348	-	-	-	-	-	348
Special Education	475	-	475	2,064	968	-	-	-	1,571
Teacher Room Funds	-	-	-	5,820	4,995	-	-	-	825
Volleyball	827	-	827	1,735	1,113	-	-	-	1,449
Yearbook	<u>155</u>	<u>-</u>	<u>155</u>	<u>2,997</u>	<u>2,618</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>534</u>
Total Restricted	<u>\$ 5,968</u>	<u>\$ -</u>	<u>\$ 5,968</u>	<u>\$ 41,526</u>	<u>\$ 34,906</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,588</u>
Total General and Restricted	<u><u>\$ 22,106</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 22,106</u></u>	<u><u>\$ 62,018</u></u>	<u><u>\$ 56,875</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 27,249</u></u>

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS**  
**GRUNDY COUNTY HIGH SCHOOL - INTERNAL SCHOOL FUNDS**  
**BALANCE SHEET- REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	ASSETS						LIABILITIES AND FUND BALANCES								
							LIABILITIES			FUND BALANCES					
	Cash on Hand	Cash in Bank Checking	Cash in Bank Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non- Spendable	Restricted	Assigned	Unassigned	Total Fund Balances	Total Liabilities and Fund Balances
General Fund	\$ -	\$ 11,121	\$ -	\$ -	\$ -	\$ -	\$ 11,121	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,121	\$ 11,121	\$ 11,121
Restricted Fund															
Other Accounts:															
Agriculture	\$ -	\$ 4,399	\$ -	\$ -	\$ -	\$ -	\$ 4,399	\$ -	\$ -	\$ -	\$ -	\$ 4,399	\$ -	\$ 4,399	\$ 4,399
Alternative Class	-	40	-	-	-	-	40	-	-	-	-	40	-	40	40
Art	-	915	-	-	-	-	915	-	-	-	-	915	-	915	915
Athletics	-	16,259	-	-	-	-	16,259	-	-	-	-	16,259	-	16,259	16,259
Auto Mechanics	-	9,855	-	-	-	-	9,855	-	-	-	-	9,855	-	9,855	9,855
Band	-	822	-	-	-	-	822	-	-	-	-	822	-	822	822
Beta Club	-	8	-	-	-	-	8	-	-	-	-	8	-	8	8
Big Brother, Big Sister	-	28	-	-	-	-	28	-	-	-	-	28	-	28	28
Cheerleading	-	538	-	-	-	-	538	-	-	-	-	538	-	538	538
Chorus	-	936	-	-	-	-	936	-	-	-	-	936	-	936	936
Class of 2017	-	1,193	-	-	-	-	1,193	-	-	-	-	1,193	-	1,193	1,193
Class of 2018	-	258	-	-	-	-	258	-	-	-	-	258	-	258	258
Class of 2019	-	1	-	-	-	-	1	-	-	-	-	1	-	1	1
Coca-Cola Scoreboard	-	1,050	-	-	-	-	1,050	-	-	-	1,050	-	-	1,050	1,050
Cosmetology	-	1,758	-	-	-	-	1,758	-	-	-	-	1,758	-	1,758	1,758
DECA	-	119	-	-	-	-	119	-	-	-	-	119	-	119	119
Drama	-	1,583	-	-	-	-	1,583	-	-	-	-	1,583	-	1,583	1,583
Drivers Education	-	175	-	-	-	-	175	-	-	-	-	175	-	175	175
Dual Enrollment	-	5,855	-	-	-	-	5,855	-	-	-	-	5,855	-	5,855	5,855
Facility/Staff Scholarship	-	65	-	-	-	-	65	-	-	-	65	-	-	65	65
Flower Fund	-	30	-	-	-	-	30	-	-	-	-	30	-	30	30
Future Business Leaders of America	-	5,381	-	-	-	-	5,381	-	-	-	-	5,381	-	5,381	5,381
Future Community and Career Leaders of .	-	639	-	-	-	-	639	-	-	-	-	639	-	639	639
Future Farmers of America	-	1,570	-	-	-	-	1,570	-	-	-	-	1,570	-	1,570	1,570
General Building Trades	-	371	-	-	-	-	371	-	-	-	-	371	-	371	371
General Office Account	-	2,085	-	-	-	-	2,085	-	-	-	-	2,085	-	2,085	2,085
General Scholarship	-	2,166	-	-	-	-	2,166	-	-	-	2,166	-	-	2,166	2,166
GRIP Reading Fund	-	170	-	-	-	-	170	-	-	-	-	170	-	170	170
Guidance	-	223	-	-	-	-	223	-	-	-	-	223	-	223	223

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS**  
**GRUNDY COUNTY HIGH SCHOOL - INTERNAL SCHOOL FUNDS**  
**BALANCE SHEET- REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	ASSETS							LIABILITIES AND FUND BALANCES							
								LIABILITIES		FUND BALANCES					
	Cash on Hand	Cash in Bank Checking	Cash in Bank Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non- Spendable	Restricted	Assigned	Unassigned	Total Fund Balances	Total Liabilities and Fund Balances
Guidance Scholarship Fund	-	561	-	-	-	-	561	-	-	-	561	-	-	561	561
Hall of Fame	-	1,139	-	-	-	-	1,139	-	-	-	-	1,139	-	1,139	1,139
Health Occupational Students of America	-	1,917	-	-	-	-	1,917	-	-	-	-	1,917	-	1,917	1,917
Hometown Scholarship	-	1,634	-	-	-	-	1,634	-	-	-	1,634	-	-	1,634	1,634
Howell Adams Scholarship	-	185	-	-	-	-	185	-	-	-	185	-	-	185	185
Interact	-	1,211	-	-	-	-	1,211	-	-	-	-	1,211	-	1,211	1,211
Key Club	-	4,135	-	-	-	-	4,135	-	-	-	-	4,135	-	4,135	4,135
Library	-	8	-	-	-	-	8	-	-	-	-	8	-	8	8
Metals	-	5,805	-	-	-	-	5,805	-	-	-	-	5,805	-	5,805	5,805
Miracle on the Mountain	-	229	-	-	-	-	229	-	-	-	-	229	-	229	229
National Honor Society	-	1,434	-	-	-	-	1,434	-	-	-	-	1,434	-	1,434	1,434
Outdoor Classroom	-	2,253	-	-	-	-	2,253	-	-	-	-	2,253	-	2,253	2,253
Project Graduation	-	774	-	-	-	-	774	-	-	-	-	774	-	774	774
Renaissance	-	453	-	-	-	-	453	-	-	-	-	453	-	453	453
Reward	-	1,599	-	-	-	-	1,599	-	-	-	-	1,599	-	1,599	1,599
Service Learning	-	1,252	-	-	-	-	1,252	-	-	-	-	1,252	-	1,252	1,252
Spanish Club	-	66	-	-	-	-	66	-	-	-	-	66	-	66	66
Student Council	-	3	-	-	-	-	3	-	-	-	-	3	-	3	3
Summer Clerical	-	2,470	-	-	-	-	2,470	-	-	-	-	2,470	-	2,470	2,470
Teachers	-	18,195	-	-	-	-	18,195	-	-	-	-	18,195	-	18,195	18,195
Theatre	-	626	-	-	-	-	626	-	-	-	-	626	-	626	626
Tom C. Clark Alumni Fund	-	2,040	-	-	-	-	2,040	-	-	-	2,040	-	-	2,040	2,040
Vocational Carpentry & Turf	-	8,161	-	-	-	-	8,161	-	-	-	-	8,161	-	8,161	8,161
Vocational General	-	466	-	-	-	-	466	-	-	-	-	466	-	466	466
Weather Station	-	14	-	-	-	-	14	-	-	-	-	14	-	14	14
Yearbook	-	58,658	-	-	-	-	58,658	-	-	-	-	58,658	-	58,658	58,658
Youth Leadership	-	997	-	-	-	-	997	-	-	-	-	997	-	997	997
Total Restricted	\$ -	\$ 174,777	\$ -	\$ -	\$ -	\$ -	\$ 174,777	\$ -	\$ -	\$ -	\$ 7,701	\$ 167,076	\$ -	\$ 174,777	\$ 174,777
Total General and Restricted	\$ -	\$ 185,898	\$ -	\$ -	\$ -	\$ -	\$ 185,898	\$ -	\$ -	\$ -	\$ 7,701	\$ 167,076	\$ 11,121	\$ 185,898	\$ 185,898

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS**  
**GRUNDY COUNTY HIGH SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Fund Balance 7/1/2016	Prior Period Adjustments	Adjusted Fund Balances 7/1/2016	Revenues	Expenditures	Other Financing Sources (Uses)		Residual Equity Transfer In (Out)	Fund Balance 6/30/2017
						Transfers In	Transfers Out		
General Fund									
Administrative				\$ -	\$ 15,360				
Fines & Fees				14,740	-				
Interest				464	-				
Total General	\$ 6,002	\$ -	\$ 6,002	\$ 15,204	\$ 15,360	\$ 5,275	\$ -	\$ -	\$ 11,121
Restricted Fund									
Other Accounts:									
Agriculture	\$ 1,451	\$ -	\$ 1,451	\$ 9,693	\$ 6,745	\$ -	\$ -	\$ -	\$ 4,399
Alternative Class	567	-	567	-	527	-	-	-	40
Art	-	-	-	1,625	710	-	-	-	915
Athletics	22,433	-	22,433	160,700	166,874	-	-	-	16,259
Auto Mechanics	8,561	-	8,561	2,555	1,261	-	-	-	9,855
Band	722	-	722	100	-	-	-	-	822
BEP Pooled	-	-	-	18,700	18,700	-	-	-	-
Beta Club	8	-	8	-	-	-	-	-	8
Big Brother, Big Sister	28	-	28	-	-	-	-	-	28
Cheerleading	1,927	-	1,927	18,390	19,779	-	-	-	538
Chorus	757	-	757	531	352	-	-	-	936
Class of 2016	1	-	1	-	1	-	-	-	-
Class of 2017	1,193	-	1,193	-	-	-	-	-	1,193
Class of 2018	-	-	-	12,239	11,981	-	-	-	258
Class of 2019	-	-	-	1	-	-	-	-	1
Coca-Cola Scoreboard	1,000	-	1,000	1,000	950	-	-	-	1,050
Cosmetology	1,533	-	1,533	4,323	4,098	-	-	-	1,758
DECA	119	-	119	-	-	-	-	-	119

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS**  
**GRUNDY COUNTY HIGH SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Fund Balance 7/1/2016	Prior Period Adjustments	Adjusted Fund Balances 7/1/2016	Revenues	Expenditures	Other Financing Sources (Uses)		Residual Equity Transfer In (Out)	Fund Balance 6/30/2017
						Transfers	Transfers		
						In	Out		
Drama	316	-	316	1,665	398	-	-	-	1,583
Drivers Education	21	-	21	175	-	-	21	-	175
Dual Enrollment	4,276	-	4,276	3,746	2,167	-	-	-	5,855
Facility/Staff Scholarship	65	-	65	-	-	-	-	-	65
Flower Fund	2	-	2	230	202	-	-	-	30
Fruit Fund	-	-	-	23,856	23,856	-	-	-	-
Future Business Leaders of America	763	-	763	49,597	44,979	-	-	-	5,381
Future Community and Career Leaders of America	326	-	326	458	145	-	-	-	639
Future Farmers of America	1,570	-	1,570	-	-	-	-	-	1,570
Future Teachers of America	102	-	102	-	-	-	102	-	-
General Building Trades	596	-	596	166	391	-	-	-	371
General Office Account	7,169	-	7,169	4,538	5,622	-	4,000	-	2,085
General Scholarship	2,166	-	2,166	-	-	-	-	-	2,166
Government	431	-	431	-	-	-	431	-	-
GRIP Reading Fund	170	-	170	-	-	-	-	-	170
Guidance	600	-	600	588	965	-	-	-	223
Guidance Scholarship Fund	811	-	811	-	250	-	-	-	561
Hall of Fame	1,140	-	1,140	2,285	2,286	-	-	-	1,139
Health Occupational Students of America	1,263	-	1,263	4,415	3,761	-	-	-	1,917
Hometown Scholarship	1,634	-	1,634	-	-	-	-	-	1,634
Howell Adams Scholarship	185	-	185	-	-	-	-	-	185
Information Technology	605	-	605	-	-	-	605	-	-
Interact	906	-	906	1,445	565	-	575	-	1,211
Key Club	4,135	-	4,135	-	-	-	-	-	4,135
Library	8	-	8	-	-	-	-	-	8
Metals	7,407	-	7,407	8,825	10,427	-	-	-	5,805
Miracle on the Mountain	3,306	-	3,306	348	4,000	575	-	-	229
National Honor Society	273	-	273	10,565	9,404	-	-	-	1,434

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.



**GRUNDY COUNTY SCHOOLS**  
**GRUNDY COUNTY HIGH SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Fund Balance 7/1/2016	Prior Period Adjustments	Adjusted Fund Balances 7/1/2016	Revenues	Expenditures	Other Financing Sources (Uses)		Residual Equity Transfer In (Out)	Fund Balance 6/30/2017
						Transfers	Transfers		
						In	Out		
Outdoor Classroom	2,253	-	2,253	-	-	-	-	-	2,253
Pep Club	185	-	185	-	-	-	185	-	-
Project Graduation	144	-	144	2,124	1,494	-	-	-	774
Renaissance	453	-	453	-	-	-	-	-	453
Reward	4,601	-	4,601	225	3,227	-	-	-	1,599
SADD	312	-	312	-	-	-	312	-	-
Service Learning	1,252	-	1,252	-	-	-	-	-	1,252
Spanish Club	6	-	6	60	-	-	-	-	66
Student Council	3	-	3	-	-	-	-	-	3
Summer Clerical	945	-	945	2,161	636	-	-	-	2,470
Teachers	13,593	-	13,593	20,205	15,379	-	224	-	18,195
Theatre	2,223	-	2,223	-	1,597	-	-	-	626
Tom C. Clark Alumni Fund	2,040	-	2,040	-	-	-	-	-	2,040
Vocational Carpentry & Turf	9,489	-	9,489	6,298	7,626	-	-	-	8,161
Vocational General	134	-	134	271	544	605	-	-	466
Weather Station	29	-	29	-	15	-	-	-	14
Yearbook	53,234	-	53,234	45,397	39,973	-	-	-	58,658
Youth Leadership	997	-	997	-	-	-	-	-	997
Total Restricted	\$ 172,439	\$ -	\$ 172,439	\$ 419,500	\$ 411,887	\$ 1,180	\$ 6,455	\$ -	\$ 174,777
Total General and Restricted	\$ 178,441	\$ -	\$ 178,441	\$ 434,704	\$ 427,247	\$ 6,455	\$ 6,455	\$ -	\$ 185,898

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS**  
**NORTH ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**BALANCE SHEET- REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	ASSETS						LIABILITIES AND FUND BALANCES								
							LIABILITIES		FUND BALANCES						
	Cash on Hand	Cash in Bank Checking	Cash in Bank Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non- Spendable	Restricted	Assigned	Unassigned	Total Fund Balances	Total Liabilities and Fund Balances
General Fund	\$ -	\$ 28,404	\$ -	\$ -	\$ -	\$ -	\$ 28,404	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,404	\$ 28,404	\$ 28,404
Restricted Fund															
Other Accounts:															
Athletics	\$ -	\$ 6,411	\$ -	\$ -	\$ -	\$ -	\$ 6,411	\$ -	\$ -	\$ -	\$ -	\$ 6,411	\$ -	\$ 6,411	\$ 6,411
BEP	-	628	-	-	-	-	628	-	-	-	628	-	-	628	628
Cheerleading	-	119	-	-	-	-	119	-	-	-	-	119	-	119	119
Counseling	-	425	-	-	-	-	425	-	-	-	-	425	-	425	425
Eighth Grade	-	1,117	-	-	-	-	1,117	-	-	-	-	1,117	-	1,117	1,117
Fall Festival	-	5,408	-	-	-	-	5,408	-	-	-	-	5,408	-	5,408	5,408
PE Equipment	-	326	-	-	-	-	326	-	-	-	-	326	-	326	326
Playground	-	454	-	-	-	-	454	-	-	-	-	454	-	454	454
Teachers	-	574	-	-	-	-	574	-	-	-	-	574	-	574	574
Volleyball	-	628	-	-	-	-	628	-	-	-	-	628	-	628	628
Walking Trail	-	1,369	-	-	-	-	1,369	-	-	-	-	1,369	-	1,369	1,369
Yearbook	-	6,023	-	-	-	-	6,023	-	-	-	-	6,023	-	6,023	6,023
Total Restricted	\$ -	\$ 23,482	\$ -	\$ -	\$ -	\$ -	\$ 23,482	\$ -	\$ -	\$ -	\$ 628	\$ 22,854	\$ -	\$ 23,482	\$ 23,482
Total General and Restricted	\$ -	\$ 51,886	\$ -	\$ -	\$ -	\$ -	\$ 51,886	\$ -	\$ -	\$ -	\$ 628	\$ 22,854	\$ 28,404	\$ 51,886	\$ 51,886

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS**  
**NORTH ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Fund Balance 7/1/2016	Prior Period Adjustments	Adjusted Fund Balances 7/1/2016	Revenues	Expenditures	Other Financing Sources (Uses)		Residual Equity Transfer In (Out)	Fund Balance 6/30/2017
						Transfers In	Transfers Out		
General Fund									
Board Allotment				\$ 3,850	\$ -				
Box Tops				1,371	-				
Contracted Services				-	2,501				
Donations				2,857	-				
Field Trips				2,326	2,376				
Fundraisers				9,788	5,348				
Instructional Supplies				-	4,685				
Interest				120	-				
Pictures				4,796	-				
Supplies and Maintenance				-	2,274				
Telephone				-	3,511				
Total General	\$ 25,604	\$ -	\$ 25,604	\$ 25,108	\$ 20,695	\$ 243	\$ 1,856	\$ -	\$ 28,404
Restricted Fund									
Other Accounts:									
Athletics	\$ 6,906	\$ -	\$ 6,906	\$ 11,882	\$ 11,822	\$ -	\$ 555	\$ -	\$ 6,411
BEP	-	-	-	5,273	4,749	104	-	-	628
Cheerleading	1	-	1	2,100	1,982	-	-	-	119
Counseling	-	-	-	-	-	425	-	-	425
Donation-K. Hill	484	-	484	-	-	-	484	-	-
Eighth Grade	172	-	172	1,279	858	524	-	-	1,117
Fall Festival	5,451	-	5,451	-	1,049	1,006	-	-	5,408
PE Equipment	-	-	-	-	368	694	-	-	326
Playground	-	-	-	-	-	454	-	-	454
T-shirts	1,006	-	1,006	-	-	-	1,006	-	-

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS**  
**NORTH ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Fund Balance 7/1/2016	Prior Period Adjustments	Adjusted Fund Balances 7/1/2016	Revenues	Expenditures	Other Financing Sources (Uses)		Residual Equity Transfer In (Out)	Fund Balance 6/30/2017
						Transfers In	Transfers Out		
Teachers	1,028	-	1,028	5,205	5,555	-	104	-	574
Volleyball	-	-	-	1,478	1,405	555	-	-	628
Walking Trail	1,369	-	1,369	-	-	-	-	-	1,369
Yearbook	5,412	-	5,412	1,754	1,143	-	-	-	6,023
Total Restricted	\$ 21,829	\$ -	\$ 21,829	\$ 28,971	\$ 28,931	\$ 3,762	\$ 2,149	\$ -	\$ 23,482
Total General and Restricted	\$ 47,433	\$ -	\$ 47,433	\$ 54,079	\$ 49,626	\$ 4,005	\$ 4,005	\$ -	\$ 51,886

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS**  
**PALMER ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**BALANCE SHEET- REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	ASSETS							LIABILITIES AND FUND BALANCES							
								LIABILITIES		FUND BALANCES					
	Cash on Hand	Cash in Bank Checking	Cash in Bank Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non- Spendable	Restricted	Assigned	Unassigned	Total Fund Balances	Total Liabilities and Fund Balances
General Fund	\$ -	\$ 5,463	\$ -	\$ -	\$ -	\$ -	\$ 5,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,463	\$ 5,463	\$ 5,463
Restricted Fund															
Other Accounts:															
Athletics	\$ -	\$ 1,093	\$ -	\$ -	\$ -	\$ -	\$ 1,093	\$ -	\$ -	\$ -	\$ -	\$ 1,093	\$ -	\$ 1,093	\$ 1,093
Eighth Grade	-	340	-	-	-	-	340	-	-	-	-	340	-	340	340
Teacher's Lounge	-	415	-	-	-	-	415	-	-	-	-	415	-	415	415
Whole Kids Foundation Grant	-	1,417	-	-	-	-	1,417	-	-	-	1,417	-	-	1,417	1,417
Total Restricted	\$ -	\$ 3,265	\$ -	\$ -	\$ -	\$ -	\$ 3,265	\$ -	\$ -	\$ -	\$ 1,417	\$ 1,848	\$ -	\$ 3,265	\$ 3,265
Total General and Restricted	\$ -	\$ 8,728	\$ -	\$ -	\$ -	\$ -	\$ 8,728	\$ -	\$ -	\$ -	\$ 1,417	\$ 1,848	\$ 5,463	\$ 8,728	\$ 8,728

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS**  
**PALMER ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Fund Balance 7/1/2016	Prior Period Adjustments	Adjusted Fund Balances 7/1/2016	Revenues	Expenditures	Other Financing Sources (Uses)		Residual Equity Transfer In (Out)	Fund Balance 6/30/2017
						Transfers In	Transfers Out		
General Fund									
Administrative				\$ -	\$ 4,705				
Board Allotment				2,100	-				
Book Fair				2,566	2,566				
Box Tops				246	-				
Copier Lease				-	1,935				
Donations				850	-				
Field Trips				2,985	2,982				
Fundraisers				10,782	6,020				
Instructional Supplies				-	5,137				
Interest				30	-				
Miscellaneous				-	562				
Office Supplies				-	1,878				
Operations and Maintenance				-	516				
Pictures				2,750	-				
Vending				934	405				
Yearbook				2,580	2,560				
Total General	\$ 8,906	\$ -	\$ 8,906	\$ 25,823	\$ 29,266	\$ -	\$ -	\$ -	\$ 5,463
Restricted Fund									
Other Accounts:									
Athletics	\$ 2,085	\$ -	\$ 2,085	\$ 12,543	\$ 13,535	\$ -	\$ -	\$ -	\$ 1,093
BEP Pooled	-	-	-	4,386	4,386	-	-	-	-
Eighth Grade	1,013	-	1,013	201	874	-	-	-	340
Teacher's Lounge	188	-	188	2,066	1,839	-	-	-	415
Whole Kids Foundation Grant	-	-	-	2,000	583	-	-	-	1,417

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS**  
**PALMER ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Fund Balance 7/1/2016	Prior Period Adjustments	Adjusted Fund Balances 7/1/2016	Revenues	Expenditures	Other Financing Sources (Uses)		Residual Equity Transfer In (Out)	Fund Balance 6/30/2017
						Transfers In	Transfers Out		
Total Restricted	\$ 3,286	\$ -	\$ 3,286	\$ 21,196	\$ 21,217	\$ -	\$ -	\$ -	\$ 3,265
Total General and Restricted	\$ 12,192	\$ -	\$ 12,192	\$ 47,019	\$ 50,483	\$ -	\$ -	\$ -	\$ 8,728

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS**  
**PELHAM ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**BALANCE SHEET- REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	ASSETS						LIABILITIES AND FUND BALANCES								
							LIABILITIES		FUND BALANCES						
	Cash on Hand	Cash in Bank Checking	Cash in Bank Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non- Spendable	Restricted	Assigned	Unassigned	Total Fund Balances	Total Liabilities and Fund Balances
General Fund	\$ -	\$ 15,327	\$ -	\$ -	\$ -	\$ -	\$ 15,327	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,327	\$ 15,327	\$ 15,327
Restricted Fund															
Other Accounts:															
5K Fund	\$ -	\$ 20	\$ -	\$ -	\$ -	\$ -	\$ 20	\$ -	\$ -	\$ -	\$ -	\$ 20	\$ -	\$ 20	\$ 20
Basic Education Program	-	1,567	-	-	-	-	1,567	-	-	-	1,567	-	-	1,567	1,567
Basketball	-	3,496	-	-	-	-	3,496	-	-	-	-	3,496	-	3,496	3,496
Outdoor Garden	-	192	-	-	-	-	192	-	-	-	-	192	-	192	192
PE	-	27	-	-	-	-	27	-	-	-	-	27	-	27	27
Special Education	-	81	-	-	-	-	81	-	-	-	-	81	-	81	81
Teacher Accounts	-	203	-	-	-	-	203	-	-	-	-	203	-	203	203
Volleyball	-	1,770	-	-	-	-	1,770	-	-	-	-	1,770	-	1,770	1,770
Total Restricted	\$ -	\$ 7,356	\$ -	\$ -	\$ -	\$ -	\$ 7,356	\$ -	\$ -	\$ -	\$ 1,567	\$ 5,789	\$ -	\$ 7,356	\$ 7,356
Total General and Restricted	\$ -	\$ 22,683	\$ -	\$ -	\$ -	\$ -	\$ 22,683	\$ -	\$ -	\$ -	\$ 1,567	\$ 5,789	\$ 15,327	\$ 22,683	\$ 22,683

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.



**GRUNDY COUNTY SCHOOLS**  
**PELHAM ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Fund Balance 7/1/2016	Prior Period Adjustments	Adjusted Fund Balances 7/1/2016	Revenues	Expenditures	Other Financing Sources (Uses)		Residual Equity Transfer In (Out)	Fund Balance 6/30/2017
						Transfers In	Transfers Out		
General Fund									
Awards				\$ 1,737	\$ 2,159				
Book Fair				1,932	1,932				
Concessions				5,588	2,916				
Donations				1,442	-				
Educational Materials				-	1,312				
Fall Festival				4,234	416				
Field Trips				2,310	1,549				
Fundraisers				4,653	2,830				
Interest				24	-				
Instructional				-	4,503				
Telephone				-	3,857				
Vending				4,512	2,957				
Yearbook				1,875	1,695				
Total General	\$ 12,911	\$ -	\$ 12,911	\$ 28,307	\$ 26,126	\$ 448	\$ 213	\$ -	\$ 15,327
Restricted Fund									
Other Accounts:									
5K Fund	\$ -	\$ -	\$ -	\$ 20	\$ -	\$ -	\$ -	\$ -	\$ 20
6th-8th Grade	317	-	317	180	647	150	-	-	-
Basic Education Program	2,113	-	2,113	5,332	5,878	-	-	-	1,567
Basketball	1,619	-	1,619	5,640	3,763	-	-	-	3,496
Kindergarten Fund	-	-	-	303	366	63	-	-	-
Outdoor Garden	192	-	192	-	-	-	-	-	192
PE	-	-	-	175	148	-	-	-	27
Special Education	-	-	-	175	94	-	-	-	81

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS**  
**PELHAM ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Fund Balance 7/1/2016	Prior Period Adjustments	Adjusted Fund Balances 7/1/2016	Revenues	Expenditures	Other Financing Sources (Uses)		Residual Equity Transfer In (Out)	Fund Balance 6/30/2017
						Transfers In	Transfers Out		
Teacher Accounts	-	-	-	3,031	2,828	-	-	-	203
Volleyball	1,212	-	1,212	2,477	1,471	-	448	-	1,770
Total Restricted	\$ 5,453	\$ -	\$ 5,453	\$ 17,333	\$ 15,195	\$ 213	\$ 448	\$ -	\$ 7,356
Total General and Restricted	\$ 18,364	\$ -	\$ 18,364	\$ 45,640	\$ 41,321	\$ 661	\$ 661	\$ -	\$ 22,683

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS**  
**SWISS MEMORIAL ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**BALANCE SHEET- REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	ASSETS							LIABILITIES AND FUND BALANCES							
								LIABILITIES		FUND BALANCES					
	Cash on Hand	Cash in Bank Checking	Cash in Bank Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non- Spendable	Restricted	Assigned	Unassigned	Total Fund Balances	Total Liabilities and Fund Balances
General Fund	\$ -	\$ 8,959	\$ -	\$ -	\$ -	\$ -	\$ 8,959	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,959	\$ 8,959	\$ 8,959
Restricted Fund															
Other Accounts:															
8th Grade	\$ -	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ 60	\$ -	\$ 60	\$ 60
Athletic	-	2,492	-	-	-	-	2,492	-	-	-	-	2,492	-	2,492	2,492
Baseball	-	2,824	-	-	-	-	2,824	-	-	-	-	2,824	-	2,824	2,824
Basketball	-	384	-	-	-	-	384	-	-	-	-	384	-	384	384
Cheerleading	-	636	-	-	-	-	636	-	-	-	-	636	-	636	636
Fuel Up to Play	-	5	-	-	-	-	5	-	-	-	5	-	-	5	5
Garden Club	-	146	-	-	-	-	146	-	-	-	-	146	-	146	146
Organ Wise	-	86	-	-	-	-	86	-	-	-	-	86	-	86	86
Volleyball	-	1,832	-	-	-	-	1,832	-	-	-	-	1,832	-	1,832	1,832
Total Restricted	\$ -	\$ 8,465	\$ -	\$ -	\$ -	\$ -	\$ 8,465	\$ -	\$ -	\$ -	\$ 5	\$ 8,460	\$ -	\$ 8,465	\$ 8,465
Total General and Restricted	\$ -	\$ 17,424	\$ -	\$ -	\$ -	\$ -	\$ 17,424	\$ -	\$ -	\$ -	\$ 5	\$ 8,460	\$ 8,959	\$ 17,424	\$ 17,424

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS**  
**SWISS MEMORIAL ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Fund Balance 7/1/2016	Prior Period Adjustments	Adjusted Fund Balances 7/1/2016	Revenues	Expenditures	Other Financing Sources (Uses)		Residual Equity Transfer In (Out)	Fund Balance 6/30/2017
						Transfers In	Transfers Out		
General Fund									
Administration				\$ -	\$ 9,300				
Board Allotment				2,450	-				
Drinks				3,518	3,110				
Field Trips				3,192	2,987				
Fund Drives				19,663	6,275				
Instruction				-	9,199				
Interest				19	-				
Teachers Fund				3,191	2,959				
Yearbook				4,167	2,987				
Total General	\$ 9,576	\$ -	\$ 9,576	\$ 36,200	\$ 36,817	\$ -	\$ -	\$ -	\$ 8,959
Restricted Fund									
Other Accounts:									
8th Grade	\$ 60	\$ -	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60
Athletic	(269)	-	(269)	17,177	14,416	-	-	-	2,492
Baseball	-	-	-	12,680	9,856	-	-	-	2,824
Basketball	-	-	-	7,904	7,520	-	-	-	384
BEP	-	-	-	6,362	6,362	-	-	-	-
Cheerleading	1,083	-	1,083	3,371	3,818	-	-	-	636
Fuel Up to Play	5	-	5	-	-	-	-	-	5
Garden Club	529	-	529	500	883	-	-	-	146
Organ Wise	10	-	10	850	774	-	-	-	86
Paw Bucks	22	-	22	869	891	-	-	-	-
Volleyball	1,276	-	1,276	3,706	3,150	-	-	-	1,832

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS**  
**SWISS MEMORIAL ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Fund Balance 7/1/2016	Prior Period Adjustments	Adjusted Fund Balances 7/1/2016	Revenues	Expenditures	Other Financing Sources (Uses)		Residual Equity Transfer In (Out)	Fund Balance 6/30/2017
						Transfers	Transfers		
						In	Out		
Total Restricted	\$ 2,716	\$ -	\$ 2,716	\$ 53,419	\$ 47,670	\$ -	\$ -	\$ -	\$ 8,465
Total General and Restricted	\$ 12,292	\$ -	\$ 12,292	\$ 89,619	\$ 84,487	\$ -	\$ -	\$ -	\$ 17,424

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS**  
**TRACY CITY ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**BALANCE SHEET- REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	ASSETS						LIABILITIES AND FUND BALANCES								Total Liabilities and Fund Balances
							LIABILITIES		FUND BALANCES						
	Cash on Hand	Cash in Bank Checking	Cash in Bank Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non- Spendable	Restricted	Assigned	Unassigned	Total Fund Balances	
General Fund	\$ -	\$ 21,524	\$ -	\$ -	\$ -	\$ -	\$ 21,524	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,524	\$ 21,524	\$ 21,524
Restricted Fund															
Other Accounts:															
Athletics	\$ -	\$ 4,914	\$ -	\$ -	\$ -	\$ -	\$ 4,914	\$ -	\$ -	\$ -	\$ -	\$ 4,914	\$ -	\$ 4,914	\$ 4,914
Basic Education Program	-	5,789	-	-	-	-	5,789	-	-	-	5,789	-	-	5,789	5,789
BETA Club	-	464	-	-	-	-	464	-	-	-	-	464	-	464	464
Cheerleading	-	9	-	-	-	-	9	-	-	-	-	9	-	9	9
Nurse's Fund Fund	-	509	-	-	-	-	509	-	-	-	-	509	-	509	509
Seventh and Eighth Grade	-	142	-	-	-	-	142	-	-	-	-	142	-	142	142
Student Council	-	330	-	-	-	-	330	-	-	-	-	330	-	330	330
Summer Camp	-	3	-	-	-	-	3	-	-	-	-	3	-	3	3
Teachers Lounge	-	765	-	-	-	-	765	-	-	-	-	765	-	765	765
Volleyball	-	2,044	-	-	-	-	2,044	-	-	-	-	2,044	-	2,044	2,044
Total Restricted	\$ -	\$ 14,969	\$ -	\$ -	\$ -	\$ -	\$ 14,969	\$ -	\$ -	\$ -	\$ 5,789	\$ 9,180	\$ -	\$ 14,969	\$ 14,969
Total General and Restricted	\$ -	\$ 36,493	\$ -	\$ -	\$ -	\$ -	\$ 36,493	\$ -	\$ -	\$ -	\$ 5,789	\$ 9,180	\$ 21,524	\$ 36,493	\$ 36,493

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS**  
**TRACY CITY ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Fund Balance 7/1/2016	Prior Period Adjustments	Adjusted Fund Balances 7/1/2016	Revenues	Expenditures	Other Financing Sources (Uses)		Residual Equity Transfer In (Out)	Fund Balance 6/30/2017
						Transfers In	Transfers Out		
General Fund									
Fundraisers				\$ 32,220	\$ 27,050				
Field Trips				2,342	1,760				
Instructional Supplies				-	4,969				
Interest				91	-				
Office				-	3,745				
Operations and Maintenance				-	1,426				
Telephone				-	3,574				
Yearbook				3,347	2,237				
Total General	\$ 28,285	\$ -	\$ 28,285	\$ 38,000	\$ 44,761	\$ -	\$ -	\$ -	\$ 21,524
Restricted Fund									
Other Accounts:									
Athletics	\$ 3,728	\$ -	\$ 3,728	\$ 9,549	\$ 8,363	\$ -	\$ -	\$ -	\$ 4,914
Basic Education Program	6,613	-	6,613	16,299	17,123	-	-	-	5,789
BETA Club	20	-	20	3,584	3,140	-	-	-	464
Cheerleading	-	-	-	1,978	1,969	-	-	-	9
Flower Fund	8	-	8	-	8	-	-	-	-
Nurse's Fund Fund	-	-	-	600	91	-	-	-	509
Scholarship	138	-	138	-	138	-	-	-	-
Seventh and Eighth Grade	157	-	157	202	217	-	-	-	142
Student Council	-	-	-	557	227	-	-	-	330
Summer Camp	-	-	-	3	-	-	-	-	3
Teachers Lounge	369	-	369	5,289	4,893	-	-	-	765

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS**  
**TRACY CITY ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Fund Balance 7/1/2016	Prior Period Adjustments	Adjusted Fund Balances 7/1/2016	Revenues	Expenditures	Other Financing Sources (Uses)		Residual Equity Transfer In (Out)	Fund Balance 6/30/2017
						Transfers	Transfers		
						In	Out		
Volleyball	1,401	-	1,401	2,837	2,194	-	-	-	2,044
Total Restricted	\$ 12,434	\$ -	\$ 12,434	\$ 40,898	\$ 38,363	\$ -	\$ -	\$ -	\$ 14,969
Total General and Restricted	\$ 40,719	\$ -	\$ 40,719	\$ 78,898	\$ 83,124	\$ -	\$ -	\$ -	\$ 36,493

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.



**GRUNDY COUNTY SCHOOLS**  
**GRUNDY COUNTY HIGH SCHOOL- INTERNAL SCHOOL FUNDS**  
**SCHEDULE OF INTERFUND AND INTERACCOUNT TRANSFERS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<u>TRANSFER TO</u>	<u>TRANSFER FROM</u>									
	<u>Drivers Education</u>	<u>Future Teachers of America</u>	<u>General Office Account</u>	<u>Government</u>	<u>Information Technology</u>	<u>Interact</u>	<u>Pep Club</u>	<u>SADD</u>	<u>Teachers</u>	<u>Total</u>
General	\$ 21	\$ 102	\$ 4,000	\$ 431	\$ -	\$ -	\$ 185	\$ 312	\$ 224	\$ 5,275
Miracle on the Mountain	-	-	-	-	-	575	-	-	-	575
Vocational General	-	-	-	-	605	-	-	-	-	605
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>605</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>605</u>
Total	<u>\$ 21</u>	<u>\$ 102</u>	<u>\$ 4,000</u>	<u>\$ 431</u>	<u>\$ 605</u>	<u>\$ 575</u>	<u>\$ 185</u>	<u>\$ 312</u>	<u>\$ 224</u>	<u>\$ 6,455</u>

The notes to the financial statements are an integral part to this statement.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS**  
**NORTH ELEMENTARY SCHOOL- INTERNAL SCHOOL FUNDS**  
**SCHEDULE OF INTERFUND AND INTERACCOUNT TRANSFERS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

TRANSFER TO    TRANSFER FROM

	General	Athletics	Donation-K. Hill	T-Shirts	Teachers	Total
General	\$ -	\$ -	\$ 243	\$ -	\$ -	\$ 243
BEP	-	-	-	-	104	104
Counseling	425	-	-	-	-	425
Eighth Grade	524	-	-	-	-	524
Fall Festival	-	-	-	1,006	-	1,006
PE Equipment	453	-	241	-	-	694
Playground	454	-	-	-	-	454
Volleyball	-	555	-	-	-	555
Total	<u>\$ 1,856</u>	<u>\$ 555</u>	<u>\$ 484</u>	<u>\$ 1,006</u>	<u>\$ 104</u>	<u>\$ 4,005</u>

The notes to the financial statements are an integral part to this statement.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS**  
**PELHAM ELEMENTARY SCHOOL- INTERNAL SCHOOL FUNDS**  
**SCHEDULE OF INTERFUND AND INTERACCOUNT TRANSFERS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<u>TRANSFER TO</u>	<u>TRANSFER FROM</u>		
	<u>General</u>	<u>Volleyball</u>	<u>Total</u>
General	\$ -	\$ 448	\$ 448
6th-8th Grade	150	-	150
Kindergarten Fund	63	-	63
	<u>63</u>	<u>-</u>	<u>63</u>
Total	<u>\$ 213</u>	<u>\$ 448</u>	<u>\$ 661</u>

The notes to the financial statements are an integral part to this statement.

See Independent Auditor's Report.

**GRUNDY COUNTY SCHOOLS – INTERNAL SCHOOL FUNDS**  
**SCHEDULE OF FIDELITY BOND COVERAGE**  
**JUNE 30, 2017**

**Schedule of Fidelity Bond Coverage**

Type of Coverage:	<u>Official's Fidelity Bond</u>
Insurer:	Local Government Insurance Pool
Amount of Coverage	\$150,000 each and every loss
Policy Term:	7/1/2016 – 7/1/2017
Positions Covered:	Employees

Type of Coverage:	<u>Official's Fidelity Bond</u>
Insurer:	Western Surety Company
Amount of Coverage	\$100,000 each and every loss
Policy Term:	7/1/2016 – 7/1/2017
Positions Covered:	Director of Schools

**GRUNDY COUNTY SCHOOLS - INTERNAL SCHOOL FUNDS**  
**SCHEDULE OF SALARY SUPPLEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<u>School</u>	<u>Amount</u>	<u>Source of Funds</u>	<u>Board Approved?</u>	<u>Proper Withholding?</u>
<u>Grundy County High School</u>				
Dee Dee Hawk	<u>\$ 227</u>	General	Yes	Yes
<b>Total</b>	<u><u>\$ 227</u></u>			

**GRUNDY COUNTY SCHOOLS - INTERNAL SCHOOL FUNDS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<u>Federal Grantor/Pass-Through Grantor</u>	<u>CFDA Number</u>	<u>Contract Number</u>	<u>Beginning (Accrued) Deferred</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending (Accrued) Deferred</u>
<u>State Awards</u>						
TN Arts Commission - Grundy County High	N/A	394167	-	530	530	-
TOTAL STATE AWARDS:			\$ -	\$ 530	\$ 530	\$ -

Federal Awards

N/A

\*Note 1 - This schedule is prepared on the modified accrual basis of accounting.

\*Note 2 - The above grants are earned when cash is received and not when expenditures are made. As a result, deferred revenue is not reflected in the financial statements. However, the grant resources are restricted for art expenditures by the grant contract. Any unspent funds are reflected as restricted fund balance in the accompanying financial statements.

See Independent Auditor's Report.

## **INTERNAL CONTROL AND COMPLIANCE SECTION**

**THIS PAGE IS INTENTIONALLY LEFT BLANK**



## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Members of the Board of Education and  
the Director of Schools  
Grundy County Schools  
Altamont, Tennessee

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the combined and individual financial statements of the Internal School Funds of the Grundy County Schools, Altamont, Tennessee as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Grundy County Schools Internal School Funds' basic financial statements and have issued our report thereon dated February 2, 2018.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Grundy County Schools Internal School Funds' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the combined and individual financial statements, but not for the purpose of expressing an opinion on the effectiveness of Grundy County Schools Internal School Funds' internal control. Accordingly, we do not express an opinion on the effectiveness of the Grundy County Schools Internal School Funds' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. The following school had a significant deficiency identified as of June 30, 2017:

Grundy County High (SD-2017-001, SD-2017-002)	North Elementary (SD-2017-001)
Swiss Memorial Elementary (SD-2017-001, SD-2017-002)	

As it relates to significant deficiencies which occurred in the prior fiscal year, the following schools had significant deficiencies that remained unresolved as of June 30, 2017:

Grundy County High (SD-2010-005, SD-2010-008)	North Elementary (SD-2010-008)
Swiss Memorial Elementary (SD-2010-005, SD-2010-008)	

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grundy County Schools Internal School Funds' combined and individual financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

Eric Clements, CPA, CFE • Andy Matlock, CPA

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Grundy County Schools Internal School Funds, in a separate management letter dated February 2, 2018.

#### **Grundy County School's Response to Findings**

Grundy County Schools Internal School Fund's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Grundy County Schools Internal School Fund's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Matlock Clements, P.C.".

Matlock Clements, P.C.  
Murfreesboro, Tennessee  
February 2, 2018

**GRUNDY COUNTY SCHOOLS – INTERNAL SCHOOL FUNDS  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2017**

**Summary of Auditor's Results**

**Financial Statements**

1. Type of auditor's report issued:	Unmodified
2. Internal control over financial reporting	
a. Material weaknesses identified?	No
b. Significant Deficiencies identified that are not considered to be material weaknesses?	Yes
3. Noncompliance material to financial statements noted?	No

**Financial Statement Findings – Required to be reported in Accordance  
With Government Auditing Standards.**

**Significant Deficiencies – Current Year  
(SD-2017-001)**

**Deficiencies in Purchasing/Disbursements Cycle**

It was noted during the fieldwork that purchases were made without adequate supporting documentation at Grundy County High School, Swiss Memorial School and North Elementary School.

**Recommendation**

According to the *Tennessee Internal School Uniform Policy Manual*, Section 5; Title 3, the bookkeeper should require and obtain supporting documentation before disbursing any school money. It is recommended that policies and procedures be put in place to ensure that school funds are not disbursed until adequate supporting documentation has been obtained.

**Management Response**

We will be having a refresher class for all Grundy County School System bookkeepers on February 16th, 2018 to help eliminate this finding from future audits. We will be training on sales tax, fundraisers, invoices/billing statements and supporting documentation.

**(SD-2017-002)**

**Deficiencies in Purchasing/Disbursements Cycle**

It was noted during the fieldwork that sales tax was not paid on the purchase of items for resale at Grundy County High School and Swiss Memorial School.

**Recommendation**

According to the *Tennessee Internal School Uniform Policy Manual*, Section 4; Title 8, sales tax should be paid on the purchase price of all resale items except for school books and school lunches. When sales tax is not paid to the vendor, the school is liable for use tax on the purchase price. It is recommended that policies and procedures be put in place to ensure that sales tax is paid on the purchase price of all resale items except for the exceptions indicated above.

**GRUNDY COUNTY SCHOOLS – INTERNAL SCHOOL FUNDS  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2017**

**(SD-2017-002)-(Continued)**

Management Response

We will be having a refresher class for all Grundy County School System bookkeepers on February 16th, 2018 to help eliminate this finding from future audits. We will be training on sales tax, fundraisers, Invoices/billing statements and supporting documentation.

**GRUNDY COUNTY SCHOOLS – INTERNAL SCHOOL FUNDS  
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2017**

**Prior Year Financial Statement Findings – Required to be reported in Accordance With Government Auditing Standards.**

**(2009-001) Accounting Records**

In the prior year, Coalmont Elementary School did not maintain a traditional set of books and records. The School did not maintain a general ledger, not did they prepare periodic financial statements.

During the current fiscal year, North Elementary, Swiss Memorial Elementary, and Tracy City Elementary were also found to not maintain a traditional set of books.

**Recommendation**

The general ledger provides a summary of school financial activities and is essential to balancing the books and balancing the bank statements, and preparing the financial statements. In addition, a general ledger is a required accounting record, see Section 7 of the *Tennessee Internal School Uniform Accounting Policy Manual*.

**Director's Comment**

We will look into the implementation of a general ledger and the training required for its use.

**Prior Year Disposition**

As of June 30, 2016, this problem continued to exist.

**Current Year Disposition**

This issue was resolved at this school during the current year.

**(2009-003) Faculty Receipts/Collection Logs**

Faculty receipts/collections logs or other similar records were not available for testing.

**Recommendation**

Faculty should maintain some type of log or other receipts that shows the dates and amounts collected by the faculty member. A copy of these collection records would support the overall receipts prepared by the office. References is Section 5 of the *Tennessee Internal School Uniform Accounting Policy Manual*. An alternative to collection logs would be pre-numbered receipts books.

**Director's Comment**

We will make every effort to comply.

**Prior Year Disposition**

As of June 30, 2016, this problem continued to exist.

**GRUNDY COUNTY SCHOOLS – INTERNAL SCHOOL FUNDS  
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2017**

**(2009-003) Faculty Receipts/Collection Logs-(Continued)**

Current Year Disposition

This issue was not determined to be a reportable issue during the current year.

**(2009-004) Three Day Bank Deposit Law**

Testing revealed that deposits were not always made within three days of receipts.

Recommendation

Monies received should be deposited with the bank as soon as possible. Cash funds should never be kept at the School of long periods of time. State requirements are that deposits should be made within three banking days of receipt. Reference is Title 2 of Section 6 in the Tennessee Internal School Uniform Accounting Policy Manual.

Director's Comment

We will make every effort to comply.

Prior Year Disposition

As of June 30, 2016, this problem continued to exist.

Current Year Disposition

This issue was resolved during the current year.

**(2009-005) Segregation of Duties**

At most schools, there is an inadequate separation of duties. Bookkeepers are usually solely responsible for receipting and recording all collections, preparing and making bank deposits, preparing and issuing checks, and preparing bank reconciliations.

Recommendation

A system of internal controls needs to be established so that no one individual has complete control over a transaction. We realize that the staff is limited at most of the schools. However, according to Section 4 of the *Tennessee Internal School Uniform Policy Manual*, "bank reconciliations should be prepared and reviewed at least monthly by someone who is independent of the receiving and recording functions".

Director's Comment

We realize this is a problem and we will experiment with different possibilities.

Prior Year Disposition

As of June 30, 2016, this problem continued to exist.

Current Year Disposition

This issue did continue to exist during the current year, however this issue is reflected on the *Schedule of Findings of Non-Compliance* included with a separate management letter.

**GRUNDY COUNTY SCHOOLS – INTERNAL SCHOOL FUNDS  
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2017**

**(2010-001) Receipt Information**

While testing receipts, we found numerous instances of receipts not being filed out properly. We found instances where receipts were incomplete, altered, and where voided receipts were not properly handled. We also found numerous posting errors and receipts protocol deviations. Instances were noted faculty receipts did not reconcile to the corresponding bookkeeper's receipts.

**Recommendation**

Receipt books should stay intact to ensure proper control of all receipts, issued or voided. All pre-numbered receipts must identify the purpose for the payment and the corresponding amount or other documentations must be attached to the receipt. All receipts should be prepared and signed by the individual who is collection the monies. Voided receipts should be retained and stapled to the carbon.

**Director's Comment**

We will address this problem and correct it.

**Prior Year Disposition**

As of June 30, 2016, this problem continued to exist.

**Current Year Disposition**

If receipt information issues did continue to exist, these issues are reflected on the *Schedule of Findings of Non-Compliance* included with a separate management letter.

**(2010-002) Bank Statement Tracing**

In the prior fiscal year, while tracing receipts to the bank statement, we noticed several instances of improper cash deposits reporting. We noted instances of receipts that were not recorded in the general ledger, where deposit amounts did not reconcile to corresponding receipts, where different dates were recorded in the cash receipts journal and the receipt, and where receipt totals and dates did not match general ledger posting.

During the current fiscal year, testing also revealed instances of monies being deposited into the bank account, yet no related receipts being available for testing.

**Recommendation**

Deposit slips should be complete and itemized. Amounts should be consistent from the receipt, to the deposit slip, and then to the general ledger. Dates should be consistent from the deposit slip to the general ledger.

**Director's Comment**

This problem will be addressed and corrected.

**GRUNDY COUNTY SCHOOLS – INTERNAL SCHOOL FUNDS  
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2017**

**(2010-002) Bank Statement Tracing-(Continued)**

Prior Year Disposition

As of June 30, 2016, this problem continued to exist.

Current Year Disposition

This issue was resolved during the current year.

**(2010-003) Ticket Reconciliation**

While testing ticket reconciliation, we found that several ticket reconciliations were completed improperly, instances were noted of alterations and pencil being used instead of ink. We also found white out being used and change not being handled properly.

Recommendation

All tickets reconciliations should be signed by the ticket sellers in ink, not pencil, and all blanks should be filled out and reviewed for math errors. Admissions include all events to which a fee is charged and paid in advance or upon entering.

Director's Comment

This problem will be addressed and corrected.

Prior Year Disposition

As of June 30, 2016, this problem continued to exist.

Current Year Disposition

If ticket reconciliation issues did continue to exist, these issues are reflected on the Schedule of Findings of Non-Compliance included with a separate management letter.

**(2010-004) Fundraisers**

During our audit, we found a lack of supporting documentation of fundraising activities that inhibited the reconciliation of such activities. Testing revealed instances of report templates provided in the *Tennessee Internal School Uniform Accounting Policy Manuel* not being available for testing. Additionally, instances were noted of revenues related to fundraising activities not being deposited in a reasonable amount of time.

Recommendation

These records should be established and maintained to avoid the risk of loss. Such record can help to establish control over such assets and reduce the likelihood of loss to pricing or theft. All individuals involved in fundraising activities should be made aware of the Board requirement for approval of such activity before fundraising events are held.

Director's Comment

This problem will be addressed and corrected.



**GRUNDY COUNTY SCHOOLS – INTERNAL SCHOOL FUNDS  
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2017**

**(2010-004) Fundraisers-(Continued)**

Prior Year Disposition

As of June 30, 2016, this problem continued to exist.

Current Year Disposition

If fundraiser documentation issues did continue to exist, these issues are reflected on the *Schedule of Findings of Non-Compliance* included with a separate management letter.

**(2010-005) Sales Tax**

While testing disbursements, we found that the schools were not in compliance with sales tax rulings. We found instances where the school paid sales tax on school related items. Conversely, we found instances where the schools failed to pay sales tax on resale items.

Recommendation

To avoid unnecessary expenditures of funds, the school should review all invoices and deduct any sales tax before making payment to the vendor. Also, sales tax should be paid on all resale items. Regardless of whether the vendor collects the tax, the ultimate responsibility lies with the school.

Director's Comment

This problem will be addressed and corrected.

Prior Year Disposition

As of June 30, 2016, this problem continued to exist.

Current Year Disposition

This issue was not resolved at Grundy County High and Swiss Memorial during the current year.

Current Year Management Response

We are having a refresher class for all Grundy County School System bookkeepers on February 16th, 2018 to help eliminate this finding from future audits. We will be training on sales tax, fundraisers, Invoices/ Billing statements and supporting documentation.

**(2010-006) Purchase Orders**

While testing disbursements, we found instances where the purchase orders were not available for testing, improperly completed, or altered. We noted purchase orders that were dated after the invoice. We also noted the use of white out. There were also multiple occasions where an approval signature was not obtained for the purchase.

**GRUNDY COUNTY SCHOOLS – INTERNAL SCHOOL FUNDS  
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2017**

**(2010-006) Purchase Orders-(Continued)**

Recommendation

Purchase orders are to be filled out and approved before the purchase of goods. Purchase orders should be completed and signed by the faculty member making the request, including the date of purchase, the details, and cost of each item. A separate purchase order should be filled out and approved for each purchase.

Director's Comment

This problem will be addressed and corrected.

Prior Year Disposition

As of June 30, 2016, this problem continued to exist.

Current Year Disposition

If purchase order issues did continue to exist, these issues are reflected on the Schedule of Findings of Non-Compliance included with a separate management letter.

**(2010-007) Checks**

An examination of the cancelled checks for the school system revealed that proper procedures are not being followed with regard to the check writing process. We found that check dates were different from general ledger dates and instances where vendors listed on the check did not match the coinciding invoice and instances where checks were not issued in consecutive order. We discovered instances where dual signatures were not used. In addition, we noted instances of checks that had not been filled out completely, altered, or voided that were not handled properly. Financial institutions confirmed accounts that only require one signature for withdrawal or transfer. Testing also revealed instances of authorized signatures not being current at financial institutions.

Recommendation

The use of dual signatures for check writing is recommended in the *Tennessee Internal Uniform School Accounting Policy Manual*. Checks should not be written to and signed by the same individual. Dual signatures ensure a review of disbursements and additional examination of invoices about to be paid. Also, the list of acceptable signatures should be updated frequently to monitor access to those funds. It is imperative that the date, vendor, and amount flow consistently from the check to the general ledger. All voided checks should have the signature lines removed and the voided check should be marked "void" and stapled to the check stub. In addition, measures should be taken to ensure the check is properly voided in the accounting system.

Director's Comment

This problem will be addressed and corrected.

Prior Year Disposition

As of June 30, 2016, this problem continued to exist.

**GRUNDY COUNTY SCHOOLS – INTERNAL SCHOOL FUNDS  
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2017**

Current Year Disposition

This issue was resolved during the current year.

**(2010-008) Disbursements**

While testing disbursements, we found instance of payments that were made from a statement instead of the original invoice(s), checks posted to the wrong distribution account, and other posting errors. We discovered instances where supporting documentation for the invoices was either not available for testing, insufficient, or did not match. Also, we noted instances of invoices being paid late, and late fees being paid.

During the current fiscal year, we noted instances of billing and shipping addresses not coinciding with the school's address and items not being billed directly through the school.

Recommendation

Disbursements should always be paid from the original invoices and checks should be posted to proper distribution accounts. No disbursements should be given until the original invoice has been obtained. Statements should be used to verify invoice amounts. If the amount being paid is different from the invoice, there should always be an explanation in writing or a credit memo attached. Checks should be filled out completely in order to properly account for the correct date, vendor, and amount. Invoices, receiving reports (signed), and other documents should be obtained for all purchases. They should be attached together and filed in such a way that they can be easily found for future references and audit. Each invoice should be stamped or otherwise marked as paid when each check is written. Invoices should be paid in a timely manner to prevent any late fees.

Director's Comment

This problem will be addressed and corrected.

Prior Year Disposition

As of June 30, 2016, this problem continued to exist.

Current Year Disposition

This issue was not resolved at Grundy County High, Swiss Memorial and North Elementary during the current year.

Current Year Management Response

We are having a refresher class for all Grundy County School System bookkeepers on February 16th, 2018 to help eliminate this finding from future audits. We will be training on sales tax, fundraisers, invoices/billing statements and supporting documentation.

**GRUNDY COUNTY SCHOOLS – INTERNAL SCHOOL FUNDS  
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2017**

**(2010-009) Trial Balance and General Ledger**

While reviewing the general Ledgers, Cash Receipts Journals, and Cash Disbursements Journals, we noted instances of records that were written in pencil instead of ink. Also, we noted incomplete General Ledger entries, General Ledgers that did not balance, and General Ledger postings that were improper, inaccurate, and/or missing. Additionally, substantially incomplete Trial Balances were submitted for audit. Accounts were not sufficiently broken out as recommended by the State Comptroller's office.

**Recommendation**

All accounting records should be complete and maintained in ink, and white out or other altering inks should never be used. Instead, errors should be marked through and initialed. Documents should be proofed and balanced on a monthly basis to minimized calculation errors. Additionally, in Section 9 of the *Tennessee Internal School Uniform Accounting Policy Manual*, a standard chart of accounts is recommended.

**Director's Comment**

This problem will be addressed and corrected.

**Prior Year Disposition**

As of June 30, 2016, this problem continued to exist.

**Current Year Disposition**

This issue was resolved during the current year.

**(2011-001) Deficit Fund Balance**

In the prior year, there was a deficit fund balance in Coalmont Elementary School's Yearbook Fund and Swiss Memorial Elementary School's Athletic Fund.

In the Current fiscal year, there is a deficit fund balance in Swiss Memorial Elementary School's Athletic Fund.

**Recommendation**

Section 4 of the *Tennessee Internal School Uniform Accounting Policy Manual* requires that expenditures in each restricted fund account must not exceed the beginning balance plus current year revenue.

**Director's Comment**

Every effort will be made in the future to correct this problem.

**Disposition**

As of June 30, 2016, this problem continued to exist.

**Current Year Disposition**

This issue was resolved during the current year.

**GRUNDY COUNTY SCHOOLS – INTERNAL SCHOOL FUNDS  
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2017**

**(2014-002) Unauthorized Transfers**

During testing, we noticed transfers were being made between funds without first obtaining proper approval. Additionally, insufficient supporting documentation was noted to support the details of the transfer.

**Recommendation**

We recommend all transfers of monies between funds should be discussed with the sponsor/faculty member and Principal to obtain proper written approval before the transfer is made.

**Director's Comment**

Every effort will be made in the future to correct this problem.

**Prior Year Disposition**

As of June 30, 2016, this problem continued to exist.

**Current Year Disposition**

This issue was resolved during the current year.

**(2015-001) Supplemental Pay**

Testing revealed instances of supplemental pay.

**Recommendation**

Any supplemental compensation owed to the board of education employees for extracurricular activities must be processed through the director of schools' office in the same manner as salary and other payroll payments. Board of education employees may not be compensated directly by individual schools from internal school funds.

**Director's Comment**

Training for all bookkeepers regarding established accounting procedures is planned for summer of 2016 in an effort to correct this problem in the future.,

**Prior Year Disposition**

As of June 30, 2016, this problem continued to exist.

**Current Year Disposition**

This issue was resolved during the current year.

**(2016-001) School Support Organizations**

Testing revealed that a school is maintaining the funds of support organizations.

**GRUNDY COUNTY SCHOOLS – INTERNAL SCHOOL FUNDS  
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2017**

**(2016-001) School Support Organizations-(Continued)**

**Recommendation**

In recent years, the State of Tennessee has devoted significant attention and guidance to the relationships between school activity funds and related parent support organizations. This attention led to the School Support Organization Financial Accountability Act of 2007. There must be a distinct separation between school funds and support funds, including control and maintenance of funds. The school should not maintain the funds of the support organizations.

**Director's Comment**

Every effort will be made to correct this problem in the future, including training bookkeepers and principals to conduct a review of all school accounts.

**Current Year Disposition**

This issue was resolved during the current year.

**(2016-002) Valid Purchases**

Testing revealed instances of purchases that do not coincide with valid internal school funding.

**Recommendation**

Title 3 of Section 5 in the *Tennessee Internal School Uniform Accounting Policy Manual* states, "all purchases must be for an appropriate purpose; that is, they must not detract from or be in opposition to the overall educational process".

**Director's Comment**

Every effort will be made to correct this problem in the future, including training bookkeepers and principals regarding making valid purchases.

**Current Year Disposition**

This issue was resolved during the current year.

**(2016-003) Accounts Payable**

During testing, it was noted that accounts payable were not approved by the Board of Education.

**Recommendation**

Section 5 of the *Tennessee Internal School Uniform Accounting Policy Manual* states, "the local Board must approve accounts payable that will not be liquidated during the current fiscal year".

**GRUNDY COUNTY SCHOOLS – INTERNAL SCHOOL FUNDS  
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2017**

**(2016-003) Accounts Payable-(Continued)**

Director's Comment

Every effort will be made to correct this problem in the future, including training bookkeepers and principals regarding proper accounts payable procedures.

Current Year Disposition

This issue was resolved during the current year.